

Antonio J. Colorado

1939–

RESIDENT COMMISSIONER 1992–1993
POPULAR DEMOCRAT FROM PUERTO RICO

Antonio J. Colorado had the shortest tenure of any Puerto Rican Resident Commissioner in nearly 56 years. Nevertheless, he used his expertise in tax policy to influence national legislation and protect Puerto Rico's unique revenue-sharing arrangement with the federal government.

Colorado was born in New York on September 8, 1939, but grew up in Puerto Rico after his family moved back to the island for his early education. Colorado's father was a major influence in the genesis of the island's modern political system and an early backer of the Partido Popular Democrático (Popular Democratic Party, or PPD). Colorado's father designed the PPD's logo and was a close friend of Luis Muñoz Marín, Puerto Rico's most powerful governor and the party's founder. The younger Colorado was groomed for political stardom alongside Muñoz Marín's daughter, Victoria Muñoz Mendoza, who later served in the insular senate and ran for governor.¹ Colorado attended the primary and high school affiliates of the Universidad de Puerto Rico and returned to the mainland for college. He graduated from Boston University in Massachusetts with a bachelor of science degree in 1962. Two years later, having gone back to the island, he earned a law degree from the Universidad de Puerto Rico. In 1966, he earned a master's degree from Harvard University.²

Colorado passed the bar in 1966 and began working in tax law, a specialty that fueled his rise to the heights of Puerto Rican politics. From 1966 to 1969, he worked as a legal tax aide for and an executive assistant to the Economic Development Administration of Puerto Rico. He left in 1969 to join a private law firm, where he practiced for the next 15 years. A respected policy advisor, Colorado served on Puerto Rico's Tax Reform Commission in 1973 and later lectured at the law schools of the Universidad de Puerto Rico and Inter-American University.³

In 1985 Colorado was appointed Puerto Rico's administrator of economic development, solidifying his status as the island's foremost financial mind. Over the next five years, Colorado worked to protect Puerto Rico's unique revenue-sharing relationship with the federal government, which used tax breaks to lure major industry to Puerto Rican shores. The corporations that set down roots in Puerto Rico were known as "936 companies," after the Internal Revenue Code governing the insular tax shelter.⁴

Colorado's defense of the tax break was part of the PPD's broader agenda to keep the federal government at arm's length, giving the island more control over its domestic economy. Puerto Rico's main English-language newspaper called Colorado "smart, hard-driving, and approachable," qualities that made him a key player in the PPD's ongoing feud with members of the Partido Nuevo Progresista (New Progressive Party, or PNP), which wanted to reform Puerto Rico's unique tax incentives and pave the way for statehood. Equally important, according to the *San Juan Star*, Colorado's demeanor made him "a highly effective one-on-one salesman," and he had "immense confidence in" the island's financial capacities. As Puerto Rico's chief economist, he was well versed in international finance and had traveled widely in the Caribbean, and often to Washington, to lobby members of the House and Senate.⁵ In 1990, Colorado was named Puerto Rico's secretary of state, enabling him to directly engage nations in the Caribbean Basin that struggled with similar problems.

When Puerto Rico's Resident Commissioner, Jaime B. Fuster, accepted a position on the island's supreme court in late February 1992, Colorado was recommended for the post. Replacing a Resident Commissioner did not require a special election; the candidate needed only to be nominated and confirmed by the insular senate.⁶ Given his long career in tax policy, Colorado seemed a logical choice



to the island's sitting PPD administration. With Congress set to consider whether to delete section 936 from the tax code and quit providing incentives to big pharmaceutical companies (one of the largest employers in Puerto Rico), Colorado was in a better position than nearly anyone else to lobby on the island's behalf. His confirmation hearings were so straightforward, that one newspaper described the process as "smooth sailing."⁷ Even before taking office late in the winter of 1992, Colorado began speaking with members of the Senate's Finance Committee to prepare for the upcoming debate.⁸ "If a man and a place were meant to meet," wrote one of San Juan's leading newspapers that March, "it's Antonio [J.] 'Tito' Colorado and the United States Congress."⁹

Colorado was sworn in on March 4, 1992, and like many of his predecessors, he caucused with the Democrats. Around two-thirty in the afternoon, dressed in "a dark gray suit and red tie," Colorado began the briefest tenure of any Puerto Rican Resident Commissioner since 1932.¹⁰ His first priority, he said, was to protect his island's "very special relationship" with the mainland. "I look to the next months as the most important days of my life," he told the chamber, "and I will work with you intensively to better the quality of life in Puerto Rico, in the mainland United States, in the Caribbean and Central America, and everywhere else in the world where we may be needed."¹¹ Colorado was assigned to the Committee on Foreign Affairs. "With my experience in the Caribbean and as a tax lawyer, I think I've got something to offer Foreign Affairs," Colorado said.¹²

Colorado quickly eased himself into the ongoing debates over tax policy and the profits generated by Puerto Rico's major pharmaceutical companies. In Washington, the push to delete section 936 from the Internal Revenue Code was popular among Senators intent on lowering the cost of medicine, even if they had to strong-arm certain drug makers along the way.¹³ But Colorado thought the proposal would have done little more than punish Puerto Rican companies and their employees.¹⁴ As it had elsewhere, the cost of health care had skyrocketed in Puerto Rico, and since Colorado's main concern was to

protect the island's economic development, he lobbied the Senate Finance Committee to reform the tax code so that drug manufacturers across the country would be affected equally.¹⁵ Colorado's decision to single out the industry troubled many corporate executives but seemed to have an impact.¹⁶ The general sense in Congress was that reforming section 936 would do more harm than good, making it harder for those who opposed the incentives to take the lead.¹⁷ In July, during consideration of the Foreign Income Tax Rationalization and Simplification Act of 1992 (H.R. 5270), Colorado testified before the House Ways and Means Committee that any reduction in section 936 "would be an economic calamity for Puerto Rico" since over the last 40 years, one-third of the jobs on the island were created because of the shelter policy.¹⁸ The bill died in committee after the hearings.

That summer, Colorado introduced the second of the two bills he sponsored during his House career. His first measure, H.R. 5030, sought to facilitate trade between the mainland and Puerto Rico; introduced in April, it died in committee.¹⁹ His second bill, the Puerto Rico Medicaid Improvement Act of 1992, would have boosted the island's health funding by nearly \$30 million. Though it had the support of the George H. W. Bush administration, and though Puerto Rico needed more services to combat one of the country's highest rates of new AIDS cases, Colorado's bill never received a hearing in committee.²⁰

Adding to the hectic pace of his first few months in office, Colorado decided to run for re-election after receiving the blessing of the PPD leadership.²¹ Colorado spent his weekends stumping across Puerto Rico when the House was in session, returning to the island to "be out on the streets" after the House recessed on October 9th.²²

As it had in Washington, the fate of section 936 influenced the 1992 election, crystallizing Puerto Rico's anxiety about its status. Though Colorado had managed to protect the island's tax shelter and the jobs he claimed it created, those debates appeared likely to begin anew in the next Congress. For those who favored commonwealth status, Colorado was again the logical choice for Resident Commissioner. "One of my objectives is to try to get people

to understand what 936 is all about,” he said, citing the general confusion that was often associated with insular tax policy. “We need to create a constituency of people who understand that [936] is positive for them.”²³ But the insurgent statehood movement had rallied behind Colorado’s PNP challenger, former San Juan mayor and Puerto Rican governor Carlos Romero-Barceló, who advocated reforming the tax policy to offset federal appropriations.²⁴

The 1992 election was one of the closest in recent memory. Despite his ties to the island’s business community, Colorado raised less money than Romero-Barceló, and despite early polls showing a sizable lead for Colorado, the incumbent couldn’t match his opponent’s populist message.²⁵ Colorado countered criticism that in supporting commonwealth status, he was sacrificing access to federal aid. “We have great problems, crime, the economy and health.... These programs will depend greatly on Washington and there we can get the help and benefits needed,” he said.²⁶ “We are going to seek equality,” Colorado stated later, “but without undermining our economic program and our tax incentives.” On Election Day he lost by less than 1 percent.²⁷ Almost immediately, there was talk that statehood and the foreign policy requirements that come with it would force the island to “slash ties” with friendly nations in the Caribbean, damaging relationships Colorado had helped build. With his experience as Puerto Rico’s secretary of state, Colorado seemed poised to accept an appointment to a diplomatic position. “I’d like to work with something that has to do with Puerto Rico, the United States, the Caribbean and Latin America, either on the level of the federal government or an international organization,” he admitted.²⁸

After finishing his term in Washington, Colorado moved back to Puerto Rico, but the hoped-for diplomatic position never materialized.²⁹ In 1994 he ran for president of the PPD, promising to “lead the transformation of Puerto Rico to a new future.”³⁰ He remained involved in the economic health of the Caribbean Basin, and in 1996 he accepted the executive directorship of a private lobbying firm working in Caribbean and Latin American affairs.³¹ Around the same time, federal

officials began gradually phasing out section 936, effectively ending the island’s long-standing tax incentives. “It’s the end and Puerto Rico will suffer,” Colorado said in the summer of 1996.³² “What companies are going to come to Puerto Rico without 936?”³³ He remained a strong supporter of the PPD’s status platform, and in 1998 celebrated a victory in the pro-commonwealth plebiscite vote.³⁴

FOR FURTHER READING

Biographical Directory of the United States Congress, “Antonio J. Colorado,” <http://bioguide.congress.gov>.

Colorado, Antonio J. *Democracia y socialismo: Dos ensayos políticos* (San Juan, PR: Editorial Raíces, 1990).

_____. *The First Book of Puerto Rico* (New York: F. Watts, 1965).

_____. *Puerto Rico: La Tierra y otros ensayos* (San Juan, PR: Editorial Cordillera, 1972).

_____. *Puerto Rico y tú; libro de estudios sociales para la escuela elemental* (San Juan, PR: Departamento de Instrucción, 1952).

_____. *Semblanzas de ayer y de hoy* (San Juan, PR: Editorial Raíces, 1990).

NOTES

- 1 Doreen Hemlock and Jorge Luis Medina, “Colorado Tapped for D.C. Post in ’92,” 11 March 1992, *San Juan Star*: 2.
- 2 *Biographical Directory of the United States Congress*, “Antonio J. Colorado,” <http://bioguide.congress.gov>; Harry Turner, “Antonio Colorado Sworn in as Resident Commissioner,” 5 March 1992, *San Juan Star*: 2.
- 3 *Biographical Directory of the United States Congress*, “Antonio J. Colorado,” <http://bioguide.congress.gov>.
- 4 In 1987 a lobby group for the Caribbean Basin purchased a three-page advertisement in the *New York Times*. Included in the spread was an article published under Colorado’s name (and including his headshot) arguing how the 936 policy encouraged investment throughout the region. See the advertisement “Central America, Caribbean Development Program: Peace Prosperity and Business,” 1 December 1987, *New York Times*: D11.
- 5 “Colorado in Congress,” 5 March 1992, *San Juan Star*: 51; Turner, “Antonio Colorado Sworn in as Resident Commissioner”; Doreen Hemlock, “Colorado Is Possible Clinton Appointee,” 5 November 1992, *San Juan Star*: 4.
- 6 Several other Resident Commissioners were appointed to the House. Appointments from Puerto Rico to fill vacancies are

- permitted under the Jones Act of 1917 (39 Stat. 964). The following Resident Commissioners were also appointed to their first terms: José Pesquera of Puerto Rico (1932), Quintin Paredes of the Philippines (1935), Joaquin Elizalde of the Philippines (1938), Bolívar Pagán of Puerto Rico (1939), Carlos Romulo of the Philippines (1944), and Antonio Fernós-Isern of Puerto Rico (1946). See also, *Biographical Directory of the United States Congress*, <http://bioguide.congress.gov>.
- 7 "Smooth Sailing for Colorado," 20 February 1992, *San Juan Star*: 4.
 - 8 Harry Turner, "Pryor Set to File New Anti-936 Legislation," 3 March 1992, *San Juan Star*: 5.
 - 9 "Colorado in Congress."
 - 10 Turner, "Antonio Colorado Sworn in as Resident Commissioner."
 - 11 *Congressional Record*, House, 102nd Cong., 2nd sess. (4 March 1992): 4386–4387.
 - 12 Harry Turner, "Colorado: Section 936 Safe in Congress," 14 March 1992, *San Juan Star*: 6. It was rumored that Colorado was being considered for a more prestigious spot on the Committee on Ways and Means given his familiarity with federal tax policy. See *Congressional Record*, House, 102nd Cong., 2nd sess. (4 March 1992): 4386.
 - 13 Some Puerto Rican activists also opposed section 936. See Miriam J. Ramirez de Ferrer, "Section 936 vs. the People of Puerto Rico," 20 March 1992, *San Juan Star*: 16. See also Harry Turner, "Indiana Congressman Joins Battle against 936 Benefits," 23 March 1992, *San Juan Star*: 4. Some Members of Congress wanted to punish the "runaway" company that, according to the *San Juan Star*, "changes locations for tax or other economic advantages and costs people jobs at the original site," usually on the mainland. See Harry Turner, "Section 936 Critics Fail to Awaken Opposition," 7 March 1992, *San Juan Star*: 3.
 - 14 Harry Turner, "Pryor to File Anti-936 Bill," 5 March 1992, *San Juan Star*: 2; Harry Turner, "P.R. Not out of the Woods with Defeat of 936 Attack," 13 March 1992, *San Juan Star*: 6.
 - 15 Turner, "Pryor to File Anti-936 Bill."
 - 16 Harry Turner, "Colorado's Letter Angers Pharmaceutical Industry," 11 March 1992, *San Juan Star*: 4; Turner, "Colorado: Section 936 Safe in Congress."
 - 17 Turner, "P.R. Not out of the Woods with Defeat of 936 Attack"; Turner, "Colorado: Section 936 Safe in Congress."
 - 18 Hearing before the House Committee on Ways and Means, *Foreign Income Tax Rationalization and Simplification Act of 1992*, 102nd Cong., 2nd sess. (21 and 22 July 1992): 191; Harry Turner, "Battle Lines Being Drawn in 936 Review," 22 July 1992, *San Juan Star*: 6; Harry Turner, "Colorado 'Behaves' in Seat of Power," 22 July 1992, *San Juan Star*: 6. For background on the congressional opposition to section 936, see Turner, "Section 936 Critics Fail to Awaken Opposition" and A. W. Maldonado, "The U.S. Senate Debate on 936," 29 March 1992, *San Juan Star*: 26. See also Turner, "Colorado: Section 936 Safe in Congress."
 - 19 For Colorado's remarks on H.R. 5030, see *Congressional Record*, House, 102nd Cong., 2nd sess. (29 April 1992): 9823.
 - 20 *Congressional Record*, Extension of Remarks, 102nd Cong., 2nd sess. (18 June 1992): 15585; Harry Turner, "Colorado Hopeful Congress Will Increase Medicaid Funds," 20 June 1992, *San Juan Star*: 6.
 - 21 Hemlock and Medina, "Colorado Tapped for D.C. Post in '92."
 - 22 Robert Friedman, "Colorado Considers Effects of a Victory without Muñoz," 14 September 1992, *San Juan Star*: 2.
 - 23 John Marino, "936 Catches Heat from TV Lights," 4 October 1994, *San Juan Star*: B1.
 - 24 Robert Friedman, "CRB Says He Will Back Cutting 936," 6 August 1992, *San Juan Star*: 3. See also Robert Friedman, "Romero Links 936 Changes to Funding for P.R. Programs," 6 December 1992, *San Juan Star*: 4.
 - 25 Maria Bird Pico, "Romero Leads Colorado in Campaign Fund-Raising," 22 October 1992, *San Juan Star*: 17.
 - 26 Miglisa Capo, "Muñoz Files Her Candidacy for '92 Gubernatorial Race," 16 March 1992, *San Juan Star*: 2.
 - 27 Jorge Luis Medina, "Poll Shows Romero Trailing Colorado," 20 May 1992, *San Juan Star*: 10. Quotations from Robert Friedman, "Colorado, Romero Face Off, But Throw No Body Punches," 14 August 1992, *San Juan Star*: 2; "Election Statistics, 1920 to Present," <http://history.house.gov/institution/election-statistics/election-statistics>. See also Friedman, "CRB Says He Will Back Cutting 936."
 - 28 Hemlock, "Colorado Is Possible Clinton Appointee."
 - 29 Robert Friedman, "Colorado Says Battle Looms for Party Control," 26 November 1992, *San Juan Star*: 2; Doreen Hemlock, "Caribbean Needs Strategy to Keep Role in Global Trade," 26 November 1992, *San Juan Star*: 30.
 - 30 Larry Luxner, "Campaigning Starts for Puerto Rican Governor," 3 January 1994, *Miami Herald*: A8.
 - 31 Larry Luxner, "Puerto Rico's Commonwealth Status under Fire," 31 March 1996, *Washington Times*: A8.
 - 32 Larry Luxner, "Puerto Rico Loses Tax Incentive; Wage Bill Axes Corporate Breaks," 22 August 1996, *Washington Times*: A3.
 - 33 David Beard, "Wage Bill Damages Tax Break; Caribbean Will Feel the Pinch," 11 July 1996, *Sun-Sentinel* (Fort Lauderdale, FL): D1.
 - 34 Juan O. Tamayo, "For Third Time, Puerto Rico Rejects Becoming 51st State," 14 December 1998, *Miami Herald*: A1.



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MEANT TO MEET, IT’S ANTONIO
R. ‘TITO’ COLORADO AND THE
UNITED STATES CONGRESS ... HE
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IN THE UNIVERSE AND LOBBY THE
435 MEMBERS OF THE HOUSE OF
REPRESENTATIVES FOR BENEFITS
FOR PUERTO RICO.”

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